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Management Liability Application

Presented by Counterpart

Management Liability Application

MANAGEMENT LIABILITY POLICY APPLICATION NOTICE: THIS APPLICATION IS FOR CLAIMS-MADE AND REPORTED COVERAGE. CLAIMS-MADE AND REPORTED COVERAGE APPLIES ONLY TO CLAIMS THAT ARE FIRST MADE AND REPORTED DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF PURCHASED. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES WILL BE REDUCED AND MAY BE EXHAUSTED BY CLAIMS EXPENSES. FURTHERMORE, CLAIMS EXPENSES WILL BE APPLIED AGAINST THE RETENTION. IF A POLICY IS ISSUED, THIS APPLICATION WILL ATTACH TO AND BECOME PART OF THE POLICY. THEREFORE, IT IS IMPORTANT THAT ALL QUESTIONS ARE ANSWERED TRUTHFULLY AND ACCURATELY.

COMPANY INFORMATION

While completing the application, please include information on any owned subsidiaries.

Legal Company Name:		Doing Business As (DBA):	
Address:		Suite, Floor, Unit:	
City:		State:	
Zipcode:		Website:	

1. Industry

2. How many years has the Company been in business?

3. Has the Company in the past twelve (12) months completed or does it anticipate in the next twelve (12) months any merger, acquisition, or divestment? **Yes** ◯ **No** ◯

4. Has the Company in the past twelve (12) months or does it anticipate in the next twelve (12) months any bankruptcy proceeding or financial restructuring? **Yes** ◯ **No** ◯

5. Has any individual or entity proposed for this insurance been a party to any claim or legal proceeding in the past three (3) years for any coverage for which the Company is applying? **Yes** ◯ **No** ◯

If Yes, please answer the following:

	Type of Claim or Lawsuit [1]	Total Cost of Claim or Lawsuit (Including Defense) [2]	Month & Year of Claim or Lawsuit [3]
1			
2			
3			

1. Type of Claim or Lawsuit = Directors & Officers, Employment Practices, Fiduciary, Crime, Miscellaneous Professional
2. Total Cost of Claim or Lawsuit (Including Defense) = $ Amount
3. Month & Year of Claim or Lawsuit = Month/Year

6. Please provide the total number of employees at the Company:

6.1 Full-Time

6.2 Part-Time, Seasonal, Independent Contractors

7. Income Statement (Most Recent Fiscal Year)

7.1 Revenue

7.2 Net Income / Net Loss

7.3 During the most recent fiscal year did the Company have a net profit or net loss? **Profit** **Loss**

8. Balance Sheet (Most Recent)

8.1 Total Assets

8.2 Cash & Cash Equivalents

8.3 Long Term Liabilities

8.4 Current Liabilities

8.5 Does the Company's current liabilities exceed its current assets? **Yes** **No**

9. Cash Flow From Operations

10. Is the Company currently in default or anticipate in the next twelve (12) months to be in default of any debt covenants? **Yes** **No**

If Yes on any of the above, please provide details within the Additional Details section on the pages below.

Directors And Officers

1. Does the Company currently have Directors & Officers insurance? **Yes** ◯ **No** ◯

If Yes, please answer the following:

Carrier	Expiring Limit	Expiring Retention	Expiring Premium	Expiration Date

2. Has the Company in the past twelve (12) months completed or does it anticipate in the next twelve (12) months any public or private securities offerings (including crowdfunding)? **Yes** ◯ **No** ◯

If Yes, please answer the following:

2.1 What is the total dollar amount of capital raised from any securities offerings in the past twelve (12) months?

2.2 What is the anticipated dollar amount of capital raised from any securities offerings in the next twelve (12) months?

3. Does any individual or entity own ten percent (10%) or more interest in the Company without board representation? **Yes** ◯ **No** ◯

4. Has the Company in the past twelve (12) months or does it anticipate in the next twelve (12) months any change in ownership? **Yes** ◯ **No** ◯

5. Has the Company in the past three (3) years derived more than thirty percent (30%) of its revenue or funding from federal, state, or local governmental sources? **Yes** ◯ **No** ◯

If Yes on any of the above, please provide details within the Additional Details section on the pages below.

Employment Practices

1. Does the Company currently have Employment Practices insurance? Yes ◯ No ◯

If Yes, please answer the following:

Carrier	Expiring Limit	Expiring Retention	Expiring Premium	Expiration Date

2. Are more than ten percent (10%) of employees located in any office outside of the Company's headquarters? Yes ◯ No ◯

If Yes, please answer the following:

	Office City & State	Full-Time Employees	Part-Time Employees
1			
2			
3			

3. Has the Company in the past twelve (12) months completed or does it anticipate in the next twelve (12) months any facility closings or layoffs? Yes ◯ No ◯

If Yes, please answer the following:

3.1 What is the total number of reductions in workforce from any facility closings or layoffs (excluding seasonal layoffs) in the past twelve (12) months?

3.2 What is the anticipated number of reductions in workforce from any facility closings or layoffs (excluding seasonal layoffs) in the next twelve (12) months?

4. Has the Company in the past twelve (12) months experienced or does it anticipate in the next twelve (12) months any voluntary departures or involuntary terminations of senior management? Yes ◯ No ◯

5. Does the Company's management and employees regularly receive formal training on preventing and reporting harassment and discrimination? Yes ◯ No ◯

6. Has the Company in the past three (3) years reviewed the payment of wages (including equal pay and overtime pay) to ensure compliance with federal, state, and local employment laws? Yes ◯ No ◯

EMPLOYMENT PRACTICES RISK MITIGATION (OPTIONAL)

7. Qualify for credits towards your Employment Practices premium costs by answering the following questions:

7.1 Does the company have dedicated HR personnel?	Yes ◯	No ◯
7.2 Are all employees provided with and required to acknowledge receipt of an employee handbook?	Yes ◯	No ◯
7.3 Does legal counsel annually review the Company's HR policies and procedures to ensure compliance with federal, state, and local employment laws?	Yes ◯	No ◯
7.4 Does the Company's management receive formal training on the human resources guidelines, policies, and procedures?	Yes ◯	No ◯
7.5 Does the Company's management and employees routinely receive written performance evaluations?	Yes ◯	No ◯
7.6 Does the Company document and investigate all employee complaints of harassment and / or discrimination?	Yes ◯	No ◯
7.7 Does legal counsel review all employee terminations, layoffs, and / or furloughs?	Yes ◯	No ◯
7.8 Are terminated employees asked to sign a separation release agreement in exchange for severance?	Yes ◯	No ◯

If Yes on any of the above, please provide details within the Additional Details section on the pages below.

Fiduciary

1. Does the Company currently have Fiduciary insurance? Yes ◯ No ◯

If Yes, please answer the following:

Carrier	Expiring Limit	Expiring Retention	Expiring Premium	Expiration Date

2. Please provide details on any employee benefit plan for which the Company is requesting coverage:

	Plan Name	Plan Type [2]	Plan Assets
1			
2			
3			

2. Plan Type = Defined Contribution, Welfare Benefits, Employee Stock Ownership Plan, Defined Benefit

3. Are any plans out of compliance with the standards of eligibility, participation, vesting and other provisions of all regulatory requirements, including ERISA? Yes ◯ No ◯

4. Is the Company currently in violation or anticipate in the next twelve (12) months to be in violation of any plan trust agreements, prohibited transactions, or party-in-interest rules? Yes ◯ No ◯

5. Is the Company currently delinquent or anticipate in the next twelve (12) months to be delinquent with their plan contributions? Yes ◯ No ◯

6. Has the Company in the past twelve (12) months completed or does it anticipate in the next twelve (12) months any plan merger, termination, reduction in benefits, or increase to participants' share of costs? Yes ◯ No ◯

If Yes on any of the above, please provide details within the Additional Details section on the pages below.

Crime

1. Does the Company currently have Crime insurance? Yes ◯ No ◯

If Yes, please answer the following:

Carrier	Expiring Limit	Expiring Retention	Expiring Premium	Expiration Date

2. Does the Company currently have Cyber insurance? Yes ◯ No ◯

If Yes, please answer the following:

Carrier	Expiring Limit	Expiring Retention	Expiring Premium	Expiration Date

3. Are more than fifteen percent (15%) of employees located in any office outside of the United States? Yes ◯ No ◯

If Yes, please answer the following:

	Location [1]	Percentage of Employees
1		
2		
3		

1. Location = Africa, Asia, Australia, Europe, Middle East, North America, South America

4. What is the combined cash exposure inside the premises of all Company locations?

5. What is the combined cash exposure outside the premises of all Company locations?

6. Does the Company have exposure to precious metals or other high value portable inventory (including electronics components, computer chips, or liquors)? Yes ◯ No ◯

7. Does an independent certified public accountants (CPA) annually review the Company's financial records? Yes ◯ No ◯

8. Does the Company require that bank accounts be reconciled by an individual not authorized to deposit, withdraw, or sign checks? Yes ◯ No ◯

9. Does the Company separate responsibility so that no individual (other than the owner) can control a banking transaction from beginning to end: requesting checks, signing checks, approving vouchers, withdrawals, reconciling accounts? Yes ◯ No ◯

10. Does the Company require a countersignature on all checks? Yes ◯ No ◯

11. Does the Company perform background checks on prior employment, credit history, criminal history, and drug testing for all new hires? Yes ◯ No ◯

12. Does the Company perform background checks on all vendors to verify ownership and financial viability? **Yes** ◯ **No** ◯

13. Does the Company separate responsibility to authorize vendors, approve invoices, and process payments across different employees? **Yes** ◯ **No** ◯

CRIME RISK MITIGATION (OPTIONAL)

14. Qualify for credits towards your Crime premium costs by answering the following questions

14.1 What is the percentage of employees that handle, have custody, or maintain records of Company finances, securities, or property?		
14.2 Does the Company's management and employees regularly receive formal training on preventing and reporting employee theft, vendor theft, and social engineering?	**Yes** ◯	**No** ◯
14.3 Does the Company reconcile all bank accounts monthly?	**Yes** ◯	**No** ◯
14.4 Does the Company's management or employees have access to client funds or property?	**Yes** ◯	**No** ◯
14.5 Does the Company require dual authorization for all wire transfers?	**Yes** ◯	**No** ◯
14.6 What is the Company's daily dollar amount average of electronic funds transfers?		

If Yes on any of the above, please provide details within the Additional Details section on the pages below.

ADDITIONAL DOCUMENTATION

Please email any common subjectivities (financials, loss runs, expiring dec pages) with your completed application to underwriting@yourcounterpart.com to streamline the quote and bind process.

ADDITIONAL DETAILS

Please provide any additional details on the Company's financials, mergers, acquisitions, layoffs, management turnover, litigation, benefits plans, or related events:

COUNTERPART

Enroll in HR Counterpart

Counterpart has partnered with a leading HR service provider to help you with your toughest HR questions. Whether you need help dealing with complex employee circumstances or navigating state compliance, our certified HR experts can help you get to the right answer.

HR Resource Center

Access HR training, templates, & alerts to keep your business on track

Online Employee Training
Never pay for online harassment & discrimination training again

Employee Handbook Builder
Build a new handbook or update an existing one with a few simple clicks

Policy & Procedure Templates
Access hundreds of professional HR templates & guides

Regulatory & Compliance Alerts
Stay ahead of changing regulations that impact your business

HR Experts On Call

Get your toughest HR questions answered by certified HR professionals

Terminations & Disciplinary Actions
Get guidance & best practices when disciplinary action or termination is necessary

Workplace Incidents & Complaints
Get feedback on how to document, respond, & investigate an HR incident or complaint

Wages & Compensation
Receive guidance on avoiding fines & complying with the latest wage & hour laws

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TO ACCESS THESE SERVICES PLEASE PROVIDE THE CONTACT INFORMATION OF YOUR HR LEADER:

HR Contact Name:

HR Contact Title:

HR Contact Email:

HR Contact Phone:

Please be advised that the HRCounterpart services provided are subject to change without prior notice. The service provider reserves the right to modify, alter, or discontinue any aspect or feature of the services, including but not limited to its availability, functionality, content, or pricing, at any time and at its sole discretion. By utilizing these services, you acknowledge and agree that the service provider shall not be liable to you or any third party for any modification, suspension, or termination of the services.

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Notices

Fraud Warning: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND [NY: SUBSTANTIAL] CIVIL PENALTIES. (NOT APPLICABLE IN CO, DC, FL, HI, MA, NE, OH, OK, OR, VT OR WA) (INSURANCE BENEFITS MAY ALSO BE DENIED IN LA, ME, TN, AND VA.)

Fair Credit Report Act Notice: PERSONAL INFORMATION ABOUT THE APPLICANT, INCLUDING INFORMATION FROM A CREDIT OR OTHER INVESTIGATIVE REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN THE APPLICANT IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT AMENDMENTS AND RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY THE INSURER OR THE INSURER'S AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT THE APPLICANT'S AUTHORIZATION. CREDIT SCORING INFORMATION MAY BE USED TO HELP DETERMINE EITHER THE APPLICANT'S ELIGIBILITY FOR INSURANCE OR THE PREMIUM THE APPLICANT WILL BE CHARGED. THE INSURER MAY USE A THIRD PARTY IN CONNECTION WITH THE DEVELOPMENT OF THE APPLICANT'S SCORE. THE APPLICANT HAS THE RIGHT TO REVIEW THE APPLICANT'S PERSONAL INFORMATION IN THE INSURER'S FILES AND CAN REQUEST CORRECTION OF ANY INACCURACIES. A MORE DETAILED DESCRIPTION OF THE APPLICANT'S RIGHTS AND THE INSURER'S PRACTICES REGARDING SUCH INFORMATION IS AVAILABLE UPON REQUEST. CONTACT THE APPLICANT'S AGENT OR BROKER FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO THE INSURER

FOR INSUREDS LOCATED IN (Arkansas, Missouri, Nebraska, New York, Rhode Island), PLEASE READ AND SIGN THE FOLLOWING NOTICE REGARDING CLAIMS EXPENSES WITHIN LIMITS:

Please be advised that unlike most liability insurance policies in which payment of Claim Expenses does not reduce the policy limits, this policy contains Claim Expenses within the limits. The provision includes the Insurer's costs for providing legal defense against a Claim along with any Claim settlement amount within the stated policy limits.

Once the policy limit is reached, it is the Insured's responsibility to pay any further amounts for Claim Expenses or for any damages that may be awarded, except that the Insurer will pay damages for statutorily required liability insurance to the limit required by law.

Arizona Notice: Misrepresentations, omissions, concealment of facts and incorrect statements shall prevent recovery under the policy only if the misrepresentations, omissions, concealment of facts or incorrect statements are; fraudulent or material either to the acceptance of the risk, or to the hazard assumed by the insurer or the insurer in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or otherwise.

Florida and Illinois Notice: I understand that there is no coverage for punitive damages assessed directly against an insured under Florida and Illinois law. However, I also understand that punitive damages that are not assessed directly against an insured, also known as 'vicariously assessed punitive damages' are insurable under Florida and Illinois law. Therefore, if any Policy is issued to the Applicant as a result of this Application and such Policy provides coverage for punitive damages, I understand and acknowledge that the coverage for Claims brought in the State of Florida and Illinois is limited to 'vicariously assessed punitive damages' and that there is no coverage for directly assessed punitive damages.

Minnesota Notice: Authorization or agreement to bind the insurance may be withdrawn or modified only based on changes to the information contained in this application prior to the effective date of the insurance applied for that may render inaccurate, untrue or incomplete any statement made with a minimum of 10 days notice given to the insured prior to the effective date of cancellation when the contract has been in effect for less than 90 days or is being canceled for nonpayment of premium.

Missouri and Rhode Island Disclosure Notice: I understand and acknowledge that if a $100,000 or $250,000 Limit of Liability is chosen or if the Insured Organization has more than 200 employees, that Defense Costs are a part of the Limit of Liability. This means that Defense Costs will reduce my limits of insurance and may exhaust them completely and should that occur, I shall be liable for any further legal Defense Costs and Damages. Defense Costs are as defined in Section III. I also understand that the Limit of Liability for the Extended Reporting Period, if applicable, shall be a part of and not in addition to the

limit specified in the Policy Declarations.
New York Disclosure Notice: This policy is written on a claims made basis and shall provide no coverage for claims arising out of incidents, occurrences or alleged Wrongful Acts or Wrongful Employment Acts that took place prior to retroactive date, if any, stated on the declarations. This policy shall cover only those claims made against an insured while the policy remains in effect for incidents reported during the Policy Period or any subsequent renewal of this Policy or any extended reporting period coverage unless the insured purchases additional extended reporting period coverage. The policy includes an automatic 60 day extended claims reporting period following the termination of this policy. The Insured may purchase for an additional premium an additional extended reporting period of 12 months, 24 months or 36 months following the termination of this policy. Potential coverage gaps may arise upon the expiration for this extended reporting period. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates. The insured can expect substantial annual premium increases independent overall rate increases until the claims-made relationship has matured.

Utah Notice: I understand that Punitive Damages are not insurable in the state of Utah. There will be no coverage afforded for Punitive Damages for any Claim brought in the State of Utah. Any coverage for Punitive Damages will only apply if a Claim is filed in a state which allows punitive or exemplary damages to be insurable. This may apply if a Claim is brought in another state by a subsidiary or additional location(s) of the Named Insured, outside the state of Utah, for which coverage is sought under the same policy.

Representations

Material change: The Undersigned declares that if there is any material change in the answers to the questions in this Application, or any occurrence or event that takes place prior to the effective date of the insurance for which Application is being made which may render inaccurate, untrue, or incomplete any statement made, the Applicant must immediately notify the Insurer in writing. The Insurer may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance.

The undersigned represents that to the best of his/her knowledge and belief the statements set forth in this Application and in any attachments herein are true and complete. The Insurer is hereby authorized to make any investigation and inquiry in connection with the information, statements and disclosures provided in this Application. The signing of this Application does not bind the Undersigned to purchase the insurance, nor does the review of this Application bind the Insurer to issue a policy. It is agreed that this Application shall be the basis of the contract should a policy be issued. This Application will be attached and become a part of the policy.

BY SIGNING BELOW, YOU ALSO AGREE TO THE TERMS AND CONDITIONS STATED IN THE NOTICES ABOVE AND BELOW THAT ARE APPLICABLE TO YOUR STATE AND THAT YOU CONSENT TO OUR ELECTRONIC DELIVERY AND SIGNATURE CONSENT DISCLOSURE (WWW.YOURCOUNTERPART.COM/ELECTRONIC), TERMS AND CONDITIONS (WWW.YOURCOUNTERPART.COM/TERMS), AND PRIVACY POLICY (WWW.YOURCOUNTERPART.COM/PRIVACY).

Signature

This Application must be signed by the president, chief executive officer, chief operating officer, chief financial officer or in-house general counsel of the Applicant acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

Printed Name of Authorized Representative

Signature of Authorized Representative

Title

Date Signed

COUNTERPART

Email

Phone Number

COUNTERPART

THIS NOTICE IS PART OF YOUR APPLICATION:

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits. Please see state specific fraud language below:

Applicable in AL, AR, DC, LA, MD, NM, RI, and WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH, and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA, and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.